

REMARKS

I. PETITION FOR ONE MONTH EXTENSION OF TIME

Applicants submit herewith a Petition for one month extension of time. Grant of this Petition is solicited in view of the corresponding fee authorization.

II. STATUS OF THE CLAIMS

Applicants have cancelled claims 9-23, 27-37 and 60-70 which have been withdrawn from consideration as non-elected claims. Applicants have amended claims 1, 2, 38, 43, 50 and 71 to render them idiomatically and grammatically correct, but otherwise have maintained all other claims in their present form. Accordingly, claims 1-8, 24-26, 38-59, and 71-74 are now pending examination. Applicants believe that no new matter has been introduced by these claim amendments.

III. EXAMINER'S RESPONSE TO APPLICANT'S PRIOR SUBMISSION

Applicants take note of the Examiner's response to Applicants' prior submission. Specifically, in Sections 2 and 8 (Pgs. 2 and 16) of the aforementioned Office Action, the Examiner indicates that "The amendment filed on January 10, 2005,... is sufficient to overcome the prior rejections in view of Copple et al (6,178,408), Eggleson et al (6061,660), and Kamille (5,996,997)." Accordingly, in this Office Action, the Examiner rejected the claims on new grounds which Applicants hereafter traverse.

IV. CLAIM REJECTIONS UNDER 35 U.S.C. §103

A. Claims 1-8, 25, 26, 50, 52-59 and 72-74 are allowable over Copple and Kamille in combination with Fisher, Ausubel, Cornelius, Postrel, Articles and alleged knowledge.

In particular, the Examiner rejected claims 1-8, 25, 26, 50, 52-59 and 72-74, as being unpatentable over U.S. Patent 6,178,408 to Copple et al ("Copple") in view of U.S. Patent 6,061,660 to Eggleson et al ("Eggleson"), U.S. Patent 5,996,997 to Kamille, U.S. Patent 5,835,896 to Fisher et al, U.S. Patent 5,905,975 to Ausuble, U.S. Patent 6,629,081 to Cornelius et al, U.S. Patent 6,594,640 to Postrel, E. C. Baig's article "GOING ONCE, GOING TWICE, CYBERSOLD!," N. Tamosaitis' article "ONLINE AUCTIONS: BID ADIEU TO HIGH PRICES" (the

“Articles”) and alleged knowledge in the art. As will become apparent from the discussion below, the proposed combination of the foregoing references does not produce each and every element of the claimed invention and therefore these references do not support such claim rejections under 35 U.S.C. §103.

Claims 1, 50 and 72, and their respective dependent claims are directed to offline-online points system and offline-online points management method, respectively. The offline-online points system of claim 1 includes, in part, the following elements:

a main server... ; a code server ..., wherein points earned by or credited to the user are accumulated, the accumulated points being redeemable for value including an auctioned item for which the user submitted in an auction a winning bid; an agent configured to participate as a proxy for the user in the auction while participating as a proxy for the user in any number of other auctions; and a database server with an account database having an account to hold the accumulated points for the user, wherein accounts are set up for transferring accumulated points therebetween, and wherein accounts for users that are heavily active are each associated with a credit line and a credit-enabled marker such that if the user is deemed heavily active the credit line associated with the user's account is set up with points for supplementing the accumulated points when the agent participates for the user in an auction.

By analogy, the offline-online points management method of claim 50 includes, in part, the following steps:

obtaining a code offline from an item; submitting the code online to a server... ; at the server, comparing the code... and, if... valid, crediting a user..., accumulating the points... in an account,...; instantiating an agent to participate as a proxy for the user in the auction substantially concurrently with any number of other auctions; and reserving points from a credit line associated with the account if the account is associated with a credit-enabled marker, the reserved points supplementing the points in the account when the agent participates for the user in an auction, wherein accounts are set up for transferring points between them.

By further analogy, the offline-online points system of claim 72 includes, in part, the following elements:

a first server configured to receive online a code obtainable offline...; a second server configured for maintaining a set of valid codes and for comparing the code received online... against the set of valid codes..., wherein points earned by or credited to the user are accumulated; an agent configured to participate as a proxy for the user in one or a plurality of auctions either separately in each auction or substantially concurrently in the plurality of auctions; and a database server with an account database having an account to

hold the accumulated points for the user, the accumulated points being redeemable for value including an auctioned item for which the agent submits in an auction a winning bid.

By comparison, the proposed combination of the foregoing references is understood to have: one or more servers for allowing network users to redeem points from promotional items via the Internet (Copple, col. 3, line 64 to col. 4, line 34); a computer archive holding verification codes such that winning values exposed on items (game pieces) are redeemed after an operator, using a wand/scanner, authenticates the items by comparing identification numbers on such items against the verification codes and the identification numbers are possibly encrypted (Kamille, col. 3, 18-35, col. 12, lines 15-41); a user account for accumulating redeemable points linked with debit/credit cards to supplement the points required to accept the offer for premium products (Postrel, col. 9, line 55 to col. 10, line 14, col. 11, lines 1-35); the user's (buyer's) credit line is earmarked to indicate the product purchase amount to prevent the buyer from exceeding the maximum credit amount (Cornelius, Figures 13-16, 64 and 79, col. 18, lines 52-67, col. 19, lines 10-36 and 52-57); an auction manager and active proxy bids, an active proxy bid enabling the auction manager to automatically bid on a particular merchandise item on behalf of a user up to a limited amount established by the user when placing his initial bid (Fisher, Figures 4 and 7, col. 7, line 66 to col. 8, line 18, col. 8, lines 42-67, col. 9, lines 3-13 and 17-29); a user's process that generates or modifies flexible bid information in response to a message from the auctioneer's system (Ausubel, Figure 2, col. 8, lines 27-32); auction web sites accessible to a user via the Internet for entering an initial bid for the item and for subsequently increasing the bid incrementally as the user tracks the bidding for the item (E. C. Baig's article at Pgs. 1-2); and the auction web sites include a bid form or an address for emails through which the electronic bid declaring the bid price for the product is submitted by the user (N. Tamosaitis' article at page 1).

In and of itself, the proposed combination does not meet each and every element of the claimed invention as recited in claims 1, 50 and 72, including, in particular, all the highlighted elements. Hence, according to the Examiner's alleged knowledge about electronic proxy agents, the proposed combination is alleged to further have 'proxy agents' that are capable of bidding in several simultaneous auctions (*See*, Office Action, Section 4, end of 1st paragraph at Pg. 4). In support of this allegation, the Examiner relies on Fisher and the Articles.

However, Fisher's so called 'proxy bid' does not itself participate in a bid but rather allows an auction manager to automatically bid for the user on a particular product in a particular auction. In other words, Fisher does not stand for the proposition, argued by the Examiner, that its proxy bid is equivalent to the agent of the present invention. Additionally, the aforementioned Articles disclose one agent or proxy setting a bid price in one particular auction (*See, e.g.*, N. Tamosaitis at 2nd and 4th paragraphs on page 1 and E. C Baig's at 5th and 6th paragraphs on page 2).

Indeed, neither Fisher nor the Articles, teaches or suggests a proxy agent characterized as "an agent configured to participate as a proxy for the user in the auction while participating as a proxy for the user in any number of other auctions" or as "an agent to participate as a proxy for a user in the auction substantially concurrently with any number of other auctions" or as "an agent configured to participate as a proxy for the user in one or a plurality of auctions either separately in each auction or substantially concurrently in the plurality of auctions" (*See, claims 1, 50 and 72*).

Hence, without supportive evidence in the art, alleging knowledge in the art about the agent acting as a proxy for the user simultaneously in a number of auctions would presume knowledge that could only be gleaned from Applicants' disclosure. Moreover, without support in the art about how such agent might operate, alleging that the addition of such agent to the system is a "trivial enhancement" is presuming knowledge that could not exist without first obtaining impermissible hindsight from Applicants' disclosure. That is, in the absence of supportive evidence, the Examiner's official notice and assertion about the alleged knowledge in the art cannot stand.

As a result, the proposed combination of all the references and alleged knowledge cited by the Examiner does not produce the claimed invention as recited in the rejected claims. Specifically, the proposed combination fails to have the a proxy agent characterized as "an agent configured to participate as a proxy for the user in the auction while participating as a proxy for the user in any number of other auctions" or as "an agent to participate as a proxy for a user in the auction substantially concurrently with any number of other auctions" or as "an agent configured to participate as a proxy for the user in one or a plurality of auctions either separately

in each auction or substantially concurrently in the plurality of auctions” (See, claims 1, 50 and 72).

Furthermore, the references relied on by the Examiner, Cornelius and Postrel, do not stand for the proposition that “accounts for users that are heavily active are each associated with a credit line and a credit-enabled marker such that if the user is deemed heavily active the credit line associated with the user’s account is set up with points for supplementing the accumulated points when the agent participates for the user in an auction,” as recited in claims 1 and by analogy in claims 50 and 74. Instead, in Postrel a user account for accumulating redeemable points is linked with debit/credit cards to supplement the points, and in Cornelius the user’s credit availability is provided by a third party such as a bank or a credit provider (Postrel, col. 9, line 55 to col. 10, line 14, and Cornelius, col. 19, lines 52-57). Therefore, contrary to the assertion made by the Examiner, it would not have been obvious to establish a line of credit with earned or reserved points for supplementing the accumulated points.

Additionally, Applicants do not find in the cited references any teaching or suggestion for “a database server with an account database having an account to hold the accumulated points for the user, wherein accounts are set up for transferring accumulated points therebetween,” as recited in claim 1 and by analogy in claims 50 and 73.

According to the principles of patent law, it is well established that obviousness is a matter of evidence, an objective inquiry based on the teachings in the sources of evidence, i.e., in the teachings of the art. In this instance, based on the foregoing, the aforementioned references and alleged knowledge in the art do not support a *prima facia* case of obviousness as to claims 1, 38, 43, 50 and 72, and their respective dependent claims, 2-8, 24-26, 52-59 and 73-74, because, combined, they do not produce the claimed invention as recited in these claims.

What is more, the proposed combination of the cited references is believed to be improper and their different classification is a good example as to why (Kamille is in U.S. Class 273/139; Copple is in U.S. Class 705/14). As a further example, Kamille is directed to a probability game system for redeeming a validated game piece on which there is a wining value indication (See, e.g. Figures 1-4C, abstract, and col. 12, lines 15-41). Once Kamille’s wining value is exposed on the game piece and the winning value is redeemed, assuming the game piece

has been validated, the game piece is no longer valuable and no points are accumulated. By comparison, Copple is directed at redeeming collectible points using on-line bidding for promotional items (*See, e.g.,* Copple Abstarct). It would not be reasonable to expect one of ordinary skill in the art to reach out to Kamille and Copple together for solving the particular problem addressed by the present invention. In other words, one would not be motivated to combine Kamille and Copple for producing the claimed invention as recited in claims 1, 50 and 72, and their respective dependent claims.

Accordingly, Applicants believe that claims 1, 50, 71 and 72 and their respective dependent claims 2-8, 24-26, 52-59 and 73-74 are allowable over the aforementioned references, including alleged knowledge in the art. In view of this, Applicants' respectfully request reconsideration and withdrawal of the claim rejections in connection with claims 1-8, 24-26, 50-59 and 72-74.

B. Claims 24 and 51 are allowable over Kamille, Copple, and Eggleston.

Further in the aforementioned Office Action, the Examiner rejected claims 24 and 51 as being unpatentable over Copple, in view of Kamille and U.S. Patent 6,061, 660 to Eggleston. However, in addition to the reasons outlined above, claims 24 and 51 recite that the points are held in the accounts in encrypted form. The Examiner indicates the Eggleston teaches a firewall and the use of passwords. However, even though the Examiner suggest that encryption is well known, it is not found in any of the cited references in connection with online auctions as recited in the enumerated claims. For this reason and for the reasons stated above, Applicants believe that claims 24 and 51 are allowable over such references and respectfully request reconsideration and withdrawal of the rejections in connection with these claims.

C. Claims 38-41, 43, 44 and 46-48 are allowable over Copple in combination with Fisher, Ausubel and Articles.

Further in this Office Action, the Examiner rejected claims 38-41, 43, 44 and 46-48, as being unpatentable over Copple in view of Fisher, Ausuble, Cornelius, to Postrel, and the 'Articles' by E. C. Baig and N. Tamosaitis. However, claim 38 and 43 are directed to a system which, with some variations, also includes features as discussed above, such as the agent, the user accounts and the line of credit with point (as recited for instance in claims 1 *et seq.*).

In particular, Claim 38 recites, in part, “an agent configured to participate as a proxy for the user in the auction while participating as a proxy for the user in any number of other auctions; and a user database configured for maintaining a user account with points earned by the user, …wherein accounts are set up in the user database such that earned points are transferable therebetween, wherein accounts set up in the user database for users that are heavily active are each associated with a credit line and a credit-enabled marker such that if the user is deemed heavily active the credit line associated with the account for the user is set up with points for supplementing the earned points when the agent participates for the user in an auction.”

Claim 43 recites, in part, “an agent configured to participate as a proxy for a user in one or more substantially concurrent auctions;…wherein a user account for a credit worthy user is associated with a credit-enabled marker and a credit line set up with points for supplementing the points in the user account when participating in an auction.”

Therefore, the analysis above as to claims 1 *et seq.* in connection with these references, which clearly shows that the combination of these references does not produce the claimed invention, also applies to claims 38 and 43 and their respective dependent claims. Because Applicants believe that these claims are also allowable over the cited references, Applicants respectfully request reconsideration and withdrawal of the claim rejections in connection with claims 38 and 43, and their respective dependent claims 39-40 and 44-49.

D. Claims 42, 45, 49 and 71 are allowable over Copple, Eggleston, Fisher, Ausubel, and the Articles.

Claims 42, 45 and 49 respectively depend from and are allowable for the same reasons as claims 38 and 43. Also, as indicated with references to claims 24 and 51, claims 42 and 49 recite holding the points in encrypted form which is not taught by the references (including Eggleston).

Claim 71 also recite an agent and accounts with attributes similar in many respects to those in the preceding claims (1, 38, 43, and 50). Among others, claim 71 recites “clients, one or more of which having an agent with each agent being configured to participate as a respective proxy for their user substantially concurrently in a number of auctions;… wherein accounts for users that are heavily active are each associated with a credit-enabled marker and a credit line set up with points for supplementing the accumulated points when participating in an auction.”

Once again, the addition of Fisher, Ausubel and the Articles does nothing to render claim 71 obvious, and the combination of the cited references does not produce all the elements of claim 71. Again, because Applicants believe that claims 42, 45, 49 and 71 are also allowable over the references, Applicants respectfully request reconsideration and withdrawal of these claims rejections.

CONCLUSION

For the reasons as outlined above, claims 1-8, 24-26, 38-59, and 71-74 are patentably distinguished from and are therefore allowable over the cited references and the alleged knowledge in the art. Moreover, Applicants believe that the application is ready for allowance. Therefore, a Notice of Allowance of claims 1-8, 24-26, 38-59, and 71-74 is hereby respectfully requested.

Authorization is hereby given to charge any fee deficiency or credit any overpayment to Deposit Account 50-2778.

Respectfully submitted,

DECHERT LLP


Leah Sherry
Reg. No. 43,918

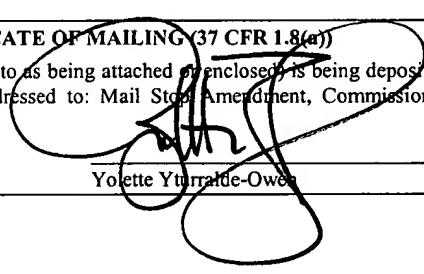
Dated: July 6, 2005

DECHERT LLP
Customer No. 37509
Tel: 650. 813.4800

CERTIFICATE OF MAILING (37 CFR 1.8(a))

I hereby certify that this paper (along with any referred to as being attached or enclosed) is being deposited on July 6, 2005, with the U.S. Postal Service as first class mail in an envelope addressed to: Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA, 22313-1450.

Date: July 6, 2005


Yvette Yurralde-Owen